

Montgomery College

MISSION STATEMENT

Montgomery Community College provides postsecondary educational programs from campuses located in Takoma Park/Silver Spring, Rockville, and Germantown. It serves four broad groups of students:

- Those who want the first two years of a university education, either for an associate's degree or preparatory to another program;
- Those who want to prepare for a career not requiring a bachelor's degree;
- Highly capable high school juniors and seniors who participate in special programs; and
- Adults who want to continue their education, either to improve job skills or for personal enrichment.

BUDGET OVERVIEW

The total recommended FY07 Operating Budget for Montgomery College is \$217.8 million, an increase of \$21.1 million or 10.8 percent from the FY06 approved budget of \$196.7 million. The County Executive recommendation fully funds the College's FY07 budget request. Related revenues (excluding the County contribution) are \$122.0 million, which represents an increase of \$9.4 million or 8.4 percent from the approved FY06 budget.

In addition to the total recommended Operating Budget for the College, the agency's Capital Improvement Program (CIP) requires current revenue funding. Approximately \$6.2 million in FY07 current revenues is recommended in the FY07-12 CIP.

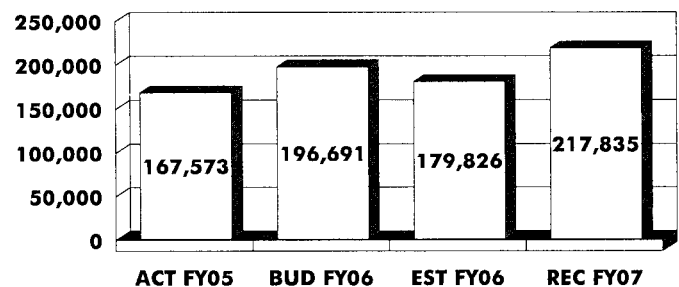
Montgomery College's budget request is not detailed in this document. The College budget request may be obtained by contacting the Office of the President, Montgomery College, 900 Hungerford Drive, Rockville, Maryland, 20850, phone 301.279.5272, or may be found on the College's web site.

State law requires the Board of Trustees and the President to prepare and submit an operating and capital budget to the County Council. The operating budget request is normally submitted to the Council and County Executive in January each year. After final action by the Council in May, the Board adopts the approved budget in June. The College's approved budget is included in the Approved FY07 Operating and Capital Budgets, which is prepared by the Office of Management and Budget in July.

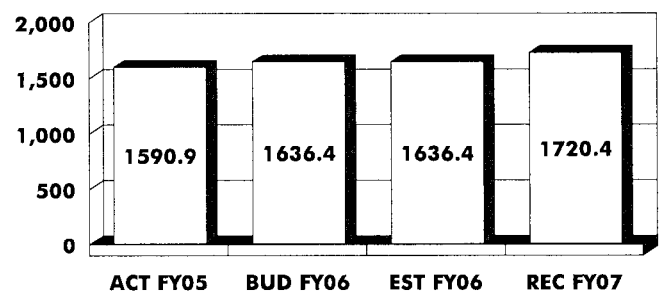
Spending Affordability Guidelines

In December 2005, the Council approved FY06 Spending Affordability Guidelines (SAG) of \$175.5 million for the tax supported funds of Montgomery College. The Board of Trustees has requested \$179.7 million, which is \$4.2 million or 2.4 percent above the guideline. The County Executive

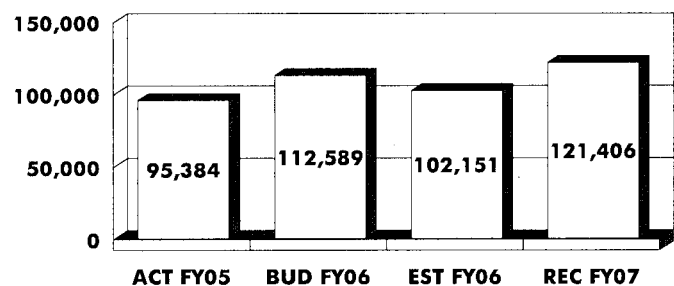
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

recommends an appropriation of \$179.7 million for the tax supported funds. If the Council amends the allocation for Montgomery College under the spending affordability process and it is below the level recommended by the County Executive, the College will forward to Council information on changes the Council would need to make if the Council were to appropriate the FY07 budget at the level set by SAG.

Enrollment

Enrollment is projected by the College to increase in FY07 to its highest level ever. Since FY97, enrollment has increased each year and is estimated by the College at 15,116 full-time equivalent (FTE) students in FY07. (An FTE student for one year is calculated as the total number of credit hours divided by 30.) The College projects a 3.1 percent increase in FY07 in FTE student enrollment compared to its FY06 estimate, and expects enrollment to grow by an average of 1.9 percent per year from FY07 to FY11. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

The FY07 College budget assumes no change in the current per semester hour tuition rate thanks to funding recommended by the County Executive in support of his commitment to quality education. This is the first time since 1984 that tuition and fees will not increase for a new academic year. Tuition rates per semester hour will remain \$93 for County residents; a \$191 for in-state residents, \$257 for out-of-state residents. The consolidated fee for all students would remain at 20 percent.

Tuition and other student fees represent 33.3 percent of the revenue proposed by the College to fund the FY07 budget, compared to 35.2 percent in the approved FY06 budget.

State Funding

The total amount of State funding from the Cade Formula assumed in the Executive's Recommended FY07 Budget is estimated to be \$28.7 million. This assumes that the College will receive a 10.1% increase in funding in FY07 over what was originally appropriated in the FY06 State budget. It is comprised of \$24.3 million allocated to the Current Fund and \$4.4 million to the Workforce and Development Fund. The College allocates formula funds to the Current Fund and Continuing Education Fund based on the proportionate share of FTE students for most University System of Maryland institutions. The FY07 State aid budget reflects the Cade formula funding at the 25% level of the State's general fund appropriation per FTE student. The Governor's recommended FY07 budget meets the legally-required funding formula.

The College also receives two State grants. The FY07 proposed State budget includes an additional \$1.4 million for Limited English Proficiency grants (English for Speakers of Other Languages or ESOL). The College budget also includes \$600,000 in State grant funds for the Maryland State Department of Education Adult Continuing Education program. Both of these grants are included in the Federal, State, and Private Grants and Contracts Fund.

Tax-Supported Funds

The College has realized significant growth in its budget in recent years, and the total cost per full-time equivalent student has increased above rates of inflation. The cost per full-time equivalent student has increased at an average annual rate of 5.2 percent since 1990 and will reach \$11,838 in FY07, based on the College's request.

The County Executive recommends a total appropriation of \$179.7 million in the two tax supported funds (Current and Emergency Plant Maintenance and Repair). This amount is an increase of \$15.3 million or 9.3 percent over the \$164.4 million approved in FY06.

Current Fund

In the Current (Operating) Fund, the County Executive is recommending an appropriation of \$179.3 million, an increase of \$15.3 million or 9.3 percent more than the \$164.0 million approved in FY06. This includes funding for tax-supported grants.

Emergency Plant Maintenance and Repair Fund

The Emergency Plant Maintenance and Repair Fund provides for unanticipated expenditures to make emergency repairs not funded elsewhere in the budget. The County Executive recommends an appropriation of \$350,000, the same level as the FY06 approved budget.

Other Funds

Cable Television

The County Executive recommends an appropriation of \$1.1 million for Cable Television Fund, which provides for production and operation of the College's higher education channel on the County's cable system. The requested amount would support the instructional programs and public service offerings that the College offers to the community. Additional detail on the College's Cable budget can be found in the Cable Communications Plan in this volume.

Special Funds

The College's Workforce Development and Continuing Education Fund is supported by a combination of student tuition and fees and State reimbursements, which are based on the FTE student enrollment in the academic year two years previous to the current year. The County Executive recognizes the importance of higher education to the economic development of Montgomery County and recommends an appropriation of \$12.3 million for this Fund, the level requested by the College and an increase of almost 15 percent from the amount approved in FY06.

The Auxiliary Enterprises Fund includes the Bookstore, the Child Care Center, and Food Services, and is supported by revenue earned from these activities. The College requests and the County Executive recommends an appropriation of \$5.3 million for this fund, an increase of 7.3 percent from the amount approved in FY06.

The Grants and Contracts Fund includes grants and contracts received by the College from all sources. The College requests

and the County Executive recommends an appropriation of \$17.3 million for this fund.

HIGHLIGHTS

- ❖ ***Increase the County contribution to the College by \$12.7 million, or 16.4%, to \$90.1 million. This level of support will allow the College to maintain tuition and fees at current levels.***
- ❖ ***Raise the College's total spending by \$21.1 million, 100% of the College's request, and a 10.8% increase over total FY06 approved expenditures.***
- ❖ ***Tuition and fees at Montgomery College are about one-half those of Maryland's four-year public colleges and universities.***
- ❖ ***More than 4,200 students who attended the College in 2004-5 had transferred to a four-year institution by the Fall 2005 semester.***
- ❖ ***Provide \$5 million of current revenue to support the new information technology initiatives in the CIP and an additional \$1.2 million for other capital projects.***

PROGRAM CONTACTS

Contact Donna Dimon of the Montgomery College at 301.251.7290 or Charles Goldsmith of the Office of Management and Budget at 240.777.2779 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY05	Budget FY06	Estimated FY06	Recommended FY07	% Chg Bud/Rec
CURRENT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	149,228,494	164,029,763	158,610,652	179,342,038	9.3%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	149,228,494	164,029,763	158,610,652	179,342,038	9.3%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1474.4	1518.9	1518.9	1588.4	4.6%
REVENUES					
Tuition and Fees: Current Fund	54,038,810	56,517,367	55,710,563	58,572,362	3.6%
State Aid	22,352,732	23,424,592	23,424,592	24,327,284	3.9%
Other Student Fees: Current Fund	0	1,024,633	920,769	981,397	-4.2%
Fed. State & Priv. Gifts & Grants	170,731	125,000	192,790	180,000	44.0%
Current Fund: Interest	749,585	540,000	1,399,637	660,000	22.2%
Current Fund: Performing Arts Center	65,762	80,000	105,314	80,000	—
Current Fund: Other Revenue	162,410	250,000	95,604	200,000	-20.0%
Current Fund MC Revenues	77,540,030	81,961,592	81,849,269	85,001,043	3.7%
EMERGENCY REPAIR FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Emergency Repair Fund Personnel Costs	0	0	0	0	—
Operating Expenses	100,889	350,000	25,000	350,000	—
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	100,889	350,000	25,000	350,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
EPMR: Investment Income Non-Pooled	3,486	2,000	13,000	2,000	—
Emergency Repair Fund Revenues	3,486	2,000	13,000	2,000	—
GRANT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	5,177,366	14,493,900	6,934,034	17,316,500	19.5%
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	5,177,366	14,493,900	6,934,034	17,316,500	19.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1.0	0.0	0.0	0.0	—
REVENUES					
Federal/State/Private Grants	5,177,366	14,493,900	6,934,034	17,316,500	19.5%
Grant Fund MC Revenues	5,177,366	14,493,900	6,934,034	17,316,500	19.5%
AUXILIARY FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Auxiliary Fund Personnel Costs	0	0	0	0	—
Operating Expenses	3,552,937	4,897,194	3,956,275	5,253,896	7.3%
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	3,552,937	4,897,194	3,956,275	5,253,896	7.3%

	Actual FY05	Budget FY06	Estimated FY06	Recommended FY07	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	38.5	40.5	40.5	42.5	4.9%
REVENUES					
Auxiliary Fund: Interest Income	28,908	3,800	60,500	32,962	767.4%
Other Revenues: Miscellaneous	631,322	1,009,485	152,000	953,690	-5.5%
Other Revenues: Performing Arts Center	126,734	150,000	127,000	150,000	—
Sales	2,868,260	3,175,143	3,525,583	3,447,146	8.6%
Auxiliary Fund Revenues	3,655,224	4,338,428	3,865,083	4,583,798	5.7%
WORKFORCE DEVELOPMENT & CONTINUING ED					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Workforce Development & Continuing Ed Personnel Costs	0	0	0	0	—
Operating Expenses	8,075,854	10,664,217	8,265,000	12,255,711	14.9%
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	8,075,854	10,664,217	8,265,000	12,255,711	14.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	69.0	69.0	69.0	77.5	12.3%
REVENUES					
Other Revenues; Miscellaneous	318,329	50,000	114,755	50,000	—
Other Revenues: Interest	56,830	75,000	96,245	60,000	-20.0%
Tuition and Fees: Continuing Education	5,002,825	7,733,141	5,264,000	7,733,141	—
State Aid	2,588,927	2,694,159	2,694,100	4,419,416	64.0%
Fed. State & Priv. Gifts & Grants	194,819	235,600	195,000	235,600	—
Workforce Development & Continuing Ed Revenues	8,161,730	10,787,900	8,364,100	12,498,157	15.9%
CABLE TELEVISION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Cable Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	847,981	1,005,480	990,000	1,067,000	6.1%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	847,981	1,005,480	990,000	1,067,000	6.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	8.0	8.0	8.0	10.0	25.0%
ENDOWMENT FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Endowment Fund Personnel Costs	0	0	0	0	—
Operating Expenses	0	250,000	50,000	250,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	0	250,000	50,000	250,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Interest	14,872	5,000	25,000	5,000	—
Endowment Fund Revenues	14,872	5,000	25,000	5,000	—
MC GRANTS TAX SUPPORTED FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—

	Actual FY05	Budget FY06	Estimated FY06	Recommended FY07	% Chg Bud/Rec
Employee Benefits	0	0	0	0	—
MC Grants Tax Supported Fund Personnel Costs	0	0	0	0	—
Operating Expenses	0	0	0	0	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	0	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
TRANSPORTATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Transportation Fund Personnel Costs	0	0	0	0	—
Operating Expenses	589,063	1,000,000	995,000	2,000,000	100.0%
Capital Outlay	0	0	0	0	—
Transportation Fund Expenditures	589,063	1,000,000	995,000	2,000,000	100.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	2.0	—
REVENUES					
Student Fees	831,117	1,000,000	1,100,692	2,000,000	100.0%
Transportation Fund Revenues	831,117	1,000,000	1,100,692	2,000,000	100.0%
DEPARTMENT TOTALS					
Total Expenditures	167,572,584	196,690,554	179,825,961	217,835,145	10.8%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total Workyears	1590.9	1636.4	1636.4	1720.4	5.1%
Total Revenues	95,383,825	112,588,820	102,151,178	121,406,498	7.8%

**MONTGOMERY COLLEGE CURRENT FUND
COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN
FY07-12**

	FY06 2nd Qtr Est	FY07 CE Rec.	FY08 Proj.	FY09 Proj.	FY10 Proj.	FY11 Proj.	FY12 Proj.
Beginning Fund Balance	7,580,745	8,402,639	4,306,538	4,234,580	4,420,399	4,634,019	4,767,902
Revenues							
General Fund Contribution	76,334,374	90,055,640	90,055,640	90,055,640	90,055,640	90,055,640	90,055,640
General Fund Contribution -- Grants	1,425,000	400,000	400,000	400,000	400,000	400,000	400,000
Tuition & Related Fees	55,710,563	58,572,362	60,073,707	61,454,806	62,320,301	63,049,404	63,049,404
Hypothetical Tuition Increase		-	6,500,000	9,500,000	12,900,000	16,600,000	21,300,000
Other Student Fees	920,769	981,397	1,006,552	1,029,693	1,044,195	1,056,411	1,056,411
State Aid	23,424,592	24,327,284	24,959,793	25,633,708	26,325,818	27,036,615	27,766,604
Fed, State & Priv. Gifts/Grants	192,790	180,000	180,000	180,000	180,000	180,000	180,000
Investment Income	1,399,637	660,000	920,000	1,060,000	1,210,000	1,210,000	1,210,000
Risk Management Dividend							
Performing Arts Center	105,314	80,000	82,080	84,296	86,572	88,910	91,310
Other Revenues (asset sales, lib. fines, rentals)	95,604	200,000	205,200	210,740	216,430	222,274	228,275
Adjustments							
Total Revenues	159,608,643	175,456,683	184,382,973	189,608,883	194,738,956	199,899,254	205,337,644
Mandatory Transfers	(388,938)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Perkins							
SEOG	(165,748)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
CWSP	(223,190)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
Nonmandatory Transfers	212,841	239,254	-	-	-	-	-
From Auxiliary Fund	212,841	239,254	-	-	-	-	-
CIP CR	1,458,000	6,208,000	1,581,000	1,581,000	1,581,000	1,581,000	1,581,000
Subtotal Revenues and Transfers	160,890,546	181,453,937	185,513,973	190,739,883	195,869,956	201,030,254	206,468,644
Total Resources Available	168,471,291	189,856,576	189,820,511	194,974,464	200,290,356	205,664,273	211,236,546
County Share	48.1%	50.2%	48.9%	47.7%	46.4%	45.2%	44.0%
State Aid Share	14.8%	13.6%	13.6%	13.6%	13.6%	13.6%	13.6%
Tuition, Fees, Other Share	37.1%	36.2%	37.5%	38.8%	40.0%	41.3%	42.4%
Total Expenditures	(158,610,652)	(179,342,038)	(184,004,931)	(188,973,064)	(194,075,337)	(199,315,371)	(204,696,886)
CIP CR	(1,458,000)	(6,208,000)	(1,581,000)	(1,581,000)	(1,581,000)	(1,581,000)	(1,581,000)
Adjustments/Reserves							
End of Year Proj. Fund Bal.	8,402,639	4,306,538	4,234,580	4,420,399	4,634,019	4,767,902	4,958,660
End of Year Fund Bal as % of Resources	5.0%	2.3%	2.2%	2.3%	2.3%	2.3%	2.3%

Assumptions:

1. The table reflects, for purposes of analysis only, tuition increases in FY08 and beyond to maintain fund balances in the target range. The College Board of Trustees must review and approve any actual increases.

2. The County's local contribution is maintained at the requested FY07 level.

3. Tuition and related fees grow at rate of FTE increase.

4. Other revenues and State aid grows based on CPI.

5. Expenditures increase at CPI.

Montgomery College Organizational Chart

